

March 31, 2020
 Sumitomo Life Insurance Company

Development of the Sumitomo Life Medium-Term Business Plan 2022

Sumitomo Life Insurance Company (President & CEO: Masahiro Hashimoto; hereinafter “Sumitomo Life”) has developed the Sumitomo Life Medium-Term Business Plan 2022 as a new three-year plan starting from April 2020.

Please refer to the [Appendix](#) for the details of the plan.

1. Review of the previous Medium-Term Business Plan: Sumitomo Life Medium-Term Business Plan 2019

In the Sumitomo Life Medium-Term Business Plan 2019, which began in April 2017, we endeavored to expand and diversify the earnings foundation for “Life designers (sales representatives),” “Agencies such as financial institutions and insurance outlets,” “Asset management” and “Overseas operations,” which we had positioned as our priority fields, and strengthen our “Customer services” and “Management base” as the business foundation which supports them, while positioning our “brand strategy” as the basis of all business activities. We progressed with a range of initiatives including the launch of SUMITOMO LIFE Vitality, the provision of products through business alliances, and the expansion of group companies.

Regarding the final results, although SUMITOMO LIFE Vitality, an insurance product for health promotion launched in July 2018, has recorded steady sales with over 400 thousand policies written, we expect to fall short of all target values, mainly due to the effects of lower than anticipated interest rates.

Result of target values

	End of fiscal 2019 targets	End of fiscal 2019 forecasts
Embedded Value (EV)*	¥4,481.2 billion	¥3,935.7 billion (¥545.4 billion below target)
Annualized premium of policies in force*	¥2,371.0 billion	¥2,348.3 billion (¥22.6 billion below target)
Of which, living benefits + medical coverage*	¥596.4 billion	¥591.4 billion (¥5.0 billion below target)

*Total of Sumitomo Life and Medicare Life.

Looking back on the implementation of this plan, we could clearly distinguish upcoming management tasks, including expanding participants in activities related to SUMITOMO LIFE Vitality, to better serve society and our customers, and utilizing the strengths of our group companies to expand our product lineup and enhance our customers' convenience.

2. Overview of the new Medium-Term Business Plan: Sumitomo Life Medium-Term Business Plan 2022

a. Our basic stance and desired image

Turning our attention to the social and economic environments, we can perceive the ever-increasing pace of change, the effects of which may be felt throughout society. These include changing demographics, acceleration of digitalization and work style reforms.

Under the Sumitomo Life Medium-Term Business Plan 2022 (the "Plan"), the new three-year plan commencing in fiscal 2020, we will accurately grasp these changes in the environment, and aim to be an "indispensable insurance company for society" by contributing to society, being trusted by society, and adapting to society, in order to keep on meeting our customers' expectations into the future.

We will advance all our businesses together with our customers: "Life designers (sales representatives)," "Agencies such as financial institutions and insurance outlets," "Asset management," "Overseas operations," "Products & services" and "Management base."

b. Overview



c. Each framework of the Plan

(1) Contribute to society ~ Contribute to achieving the SDGs ~

We will contribute to society through initiatives aimed at achieving the Sustainable Development Goals (SDGs) in our business activities, primarily by contributing to a healthy and long-living society through the promotion of SUMITOMO LIFE Vitality. In addition, by reaching across society with our unique value centering around SUMITOMO LIFE Vitality, we aim to establish a brand image of “health, security and familiarity.”

(2) Be trusted by society ~ “Customer” is the subject word ~

In order to further ensure that each and every executive and employee thinks and acts from the customer’s perspective, in addition to focusing on inculcating the “Sumitomo Life Group Code of Conduct,”^{*1} we will also promote our “WPI Project,”^{*2} which aims to promote transition to, and concentration on customer-oriented work styles, and create healthy, vibrant workplaces. By reforming the work styles and behavior of executives and employees through these measures, we will strive to gain yet greater social trust.

^{*1} Sumitomo Life Group Code of Conduct

A set of guidelines for executives and employees to follow in order to ensure that the Sumitomo Life Operating Policy is put into practice through their conduct. It serves as the basis for ethical and responsible business activities.

^{*2} WPI (Work Performance Innovation) Project

A project aiming to “enhance productivity from the customer perspective” by promoting transition to, and concentration on customer-oriented work styles, and creating healthy and vibrant workplaces.

(3) Adapt to social change ~ Transformation for continual evolution ~

Amid the ever-increasing pace of change, the effects of which may be felt throughout society, we will promote initiatives (service reform, HR nurturing, infrastructure building and innovation creation) to reform our business structure from a long-term perspective, to ensure we can adapt to any change in our environment.

d. Target values

Target item	End of fiscal 2019	Medium-Term Business Plan targets*1 (End of fiscal 2022)
Number of customers (policies in force)*2	13.87 million	14.22 million
Annualized premium of policies in force*2	¥2,348.3 billion	¥2,360.0 billion
Of which, living benefits + medical coverage*2	¥591.4 billion	¥620.0 billion
Core business profit: domestic operations*2	¥357.7 billion	3-year total ¥922.0 billion
Core business profit: overseas operations*3	¥35.4 billion	3-year total ¥141.0 billion

*1 Where, in the future, it is determined that the values set out in the Plan will be affected to a certain degree by market movements or other factors, it is possible that the Plan may be amended during the next fiscal year.

*2 Total of Sumitomo Life and Medicare Life. "Number of customers" is the total number of policies in force of individual life insurance and individual annuities, including products provided by our business alliance partners (Mitsui Sumitomo Insurance, NN Life, Sony Life).

*3 Total of overseas operations (Symetra etc.).

Empowering your future



New Medium-Term Business Plan

Sumitomo Life Medium-Term Business Plan 2022

Contents

1. Review of the Previous Medium-Term Business Plan: Sumitomo Life Medium-Term Business Plan 2019	... P.3
a. Review and Upcoming Management Tasks	... P.4
b. Target Values and Results	... P.5
2. New Medium-Term Business Plan: Sumitomo Life Medium-Term Business Plan 2022	... P.6
a. The Business Environment and Basic Stance in the New Medium-Term Business Plan	... P.7
b. Basic Policies of the New Medium-Term Business Plan	... P.8
(1) Contribute to society	... P.9
(2) Be trusted by society	... P.10
(3) Adapt to social change	... P.11
c. Direction of Initiatives in Each Business Area	... P.12
d. Target Values	... P.18



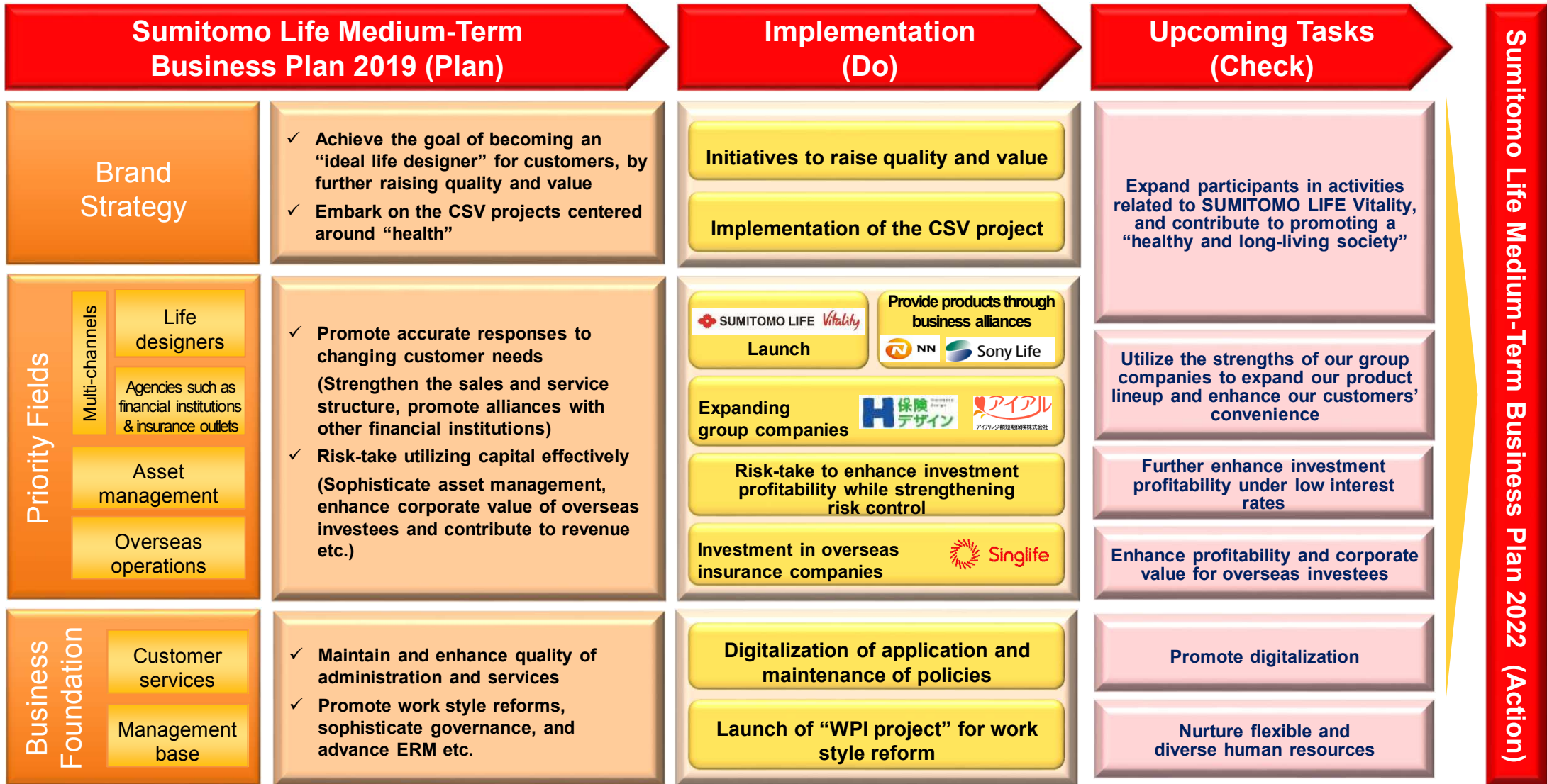
**1. Review of the Previous Medium-Term Business Plan:
Sumitomo Life Medium-Term Business Plan 2019**



a. Review and Upcoming Management Tasks

Under the Sumitomo Life Medium-Term Business Plan 2019, we launched SUMITOMO LIFE Vitality, an insurance product for health promotion, and steadily implemented other initiatives including expanding our group companies and enhancing our overall strength.

Looking back on the implementation of this plan, we could clearly distinguish upcoming management tasks, including expanding participants in activities related to SUMITOMO LIFE Vitality, to better serve society and our customers, and utilizing the strengths of our group companies to expand our product lineup and enhance our customers' convenience.



Sumitomo Life Medium-Term Business Plan 2022 (Action)

b. Target Values and Results

Under the Sumitomo Life Medium-Term Business Plan 2019, we established target values for “embedded value (EV),” “annualized premium of policies in force” and “annualized premium of policies in force of living benefits + medical coverage.” Although SUMITOMO LIFE Vitality, launched in July 2018, has recorded steady sales with over 400 thousand policies written, we have fallen short of all target values, mainly due to the effects of lower than anticipated interest rates.

Medium-Term Business Plan Targets (as of March 31, 2020)		Results	Three-Year Trend										
Embedded Value (EV) (Sumitomo Life + Medicare Life)	¥4,481.2 billion *Revised at the start of FY2019	¥3,935.7 billion (¥545.4 billion below target)	Mainly attributable to lower than expected interest rates due to international monetary easing. (The 30-year Japan government bond rate is expected to be 65bp lower than initially anticipated.) <table border="1"> <tr> <th>Year</th> <td>2016</td> <td>2017</td> <td>2018</td> <td>2019</td> </tr> <tr> <th>Value (Trillion yen)</th> <td>3.76</td> <td>4.02</td> <td>3.93</td> <td>3.93</td> </tr> </table>	Year	2016	2017	2018	2019	Value (Trillion yen)	3.76	4.02	3.93	3.93
Year	2016	2017	2018	2019									
Value (Trillion yen)	3.76	4.02	3.93	3.93									
Annualized premium of policies in force (Sumitomo Life + Medicare Life)	¥2,371.0 billion *Revised at the start of FY2019	¥2,348.3 billion (¥22.6 billion below target)	Mainly attributable to drop in competitive advantage of saving type products compared to other financial products, due to the drastic drop in interest rates. <table border="1"> <tr> <th>Year</th> <td>2016</td> <td>2017</td> <td>2018</td> <td>2019</td> </tr> <tr> <th>Value (Trillion yen)</th> <td>2.35</td> <td>2.36</td> <td>2.36</td> <td>2.34</td> </tr> </table>	Year	2016	2017	2018	2019	Value (Trillion yen)	2.35	2.36	2.36	2.34
Year	2016	2017	2018	2019									
Value (Trillion yen)	2.35	2.36	2.36	2.34									
Of which, living benefits + medical coverage	¥596.4 billion *Revised at the start of FY2019	¥591.4 billion (¥5.0 billion below target)	Despite achieving a three-year growth rate of 6.9%, the results fell slightly short of the target. <table border="1"> <tr> <th>Year</th> <td>2016</td> <td>2017</td> <td>2018</td> <td>2019</td> </tr> <tr> <th>Value (Billion yen)</th> <td>552.9</td> <td>573.0</td> <td>583.8</td> <td>591.4</td> </tr> </table>	Year	2016	2017	2018	2019	Value (Billion yen)	552.9	573.0	583.8	591.4
Year	2016	2017	2018	2019									
Value (Billion yen)	552.9	573.0	583.8	591.4									



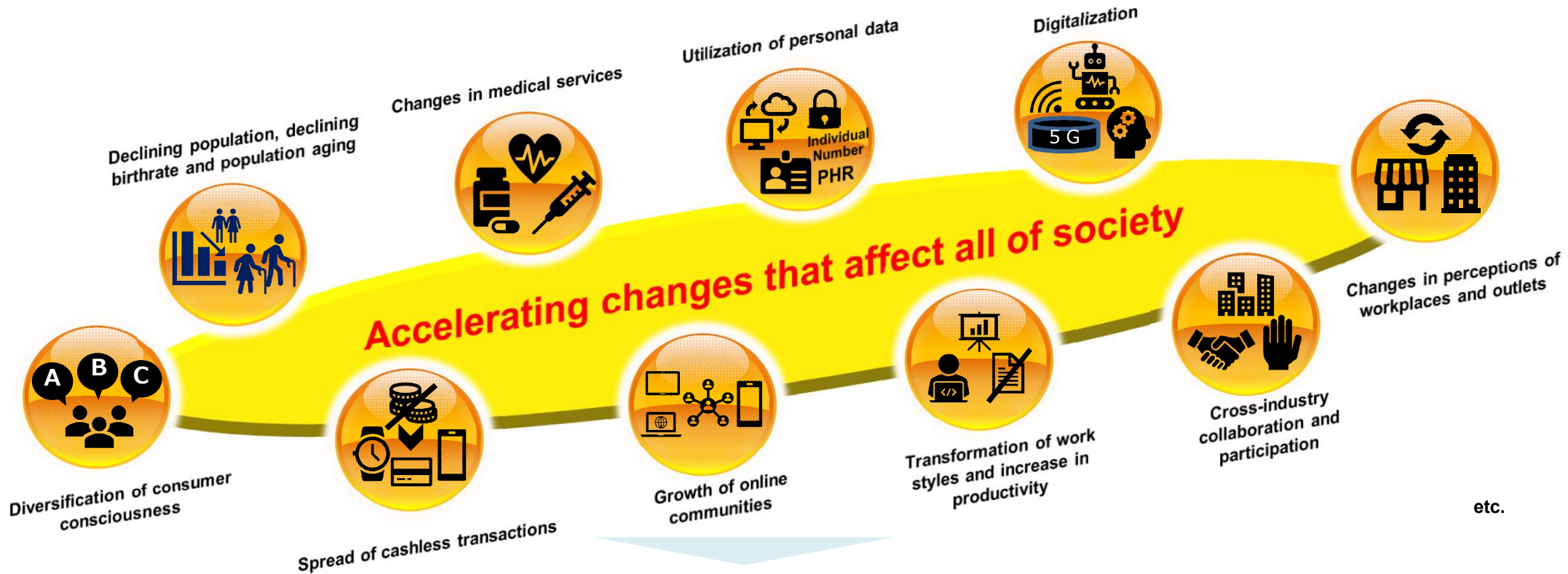
**2. New Medium-Term Business Plan:
Sumitomo Life Medium-Term Business Plan 2022**



a. The Business Environment and Basic Stance in the New Medium-Term Business Plan

Turning our attention to the social and economic environments, we can perceive the ever increasing pace of change, the effects of which may be felt throughout society. These include changing demographics, the acceleration of digitalization and work style reforms.

In this environment, we consider it vital to accurately grasp social changes, respond to the needs of society and remain an indispensable company for society, in order to continue to be useful for our customers into the future.



<The Basic Stance of the New Medium-Term Management Plan>

In order to keep on meeting our customers' expectations into the future, we will accurately grasp social changes, and aim to be an "indispensable insurance company for society," by contributing to society, being trusted by society, and adapting to society.

*We operate our businesses based on this stance, considering all consumers, each of whom is a member of society, as our "customers."

b. Basic Policies of the New Medium-Term Business Plan

To be an “indispensable” insurance company for society

Be trusted by society

“Customer” is the subject word



Behavior and work style personalized for our customers

Contribute to society

Contribute to achieving the SDGs

SUSTAINABLE DEVELOPMENT GOALS

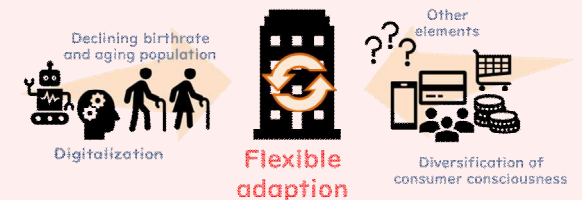


Contributing to healthy and long-living society

SUMITOMO LIFE Vitality

Adapt to social change

Transformation for continual evolution



Investing in future change



Asset management

Products & services

Life designers

Agencies such as financial institutions & insurance outlets

Management base

Overseas operations

Advancing all businesses together with our customers

b. Basic Policies of the New Medium-Term Business Plan – (1) Contribute to society

We will contribute to society through initiatives aimed at achieving the Sustainable Development Goals (SDGs) in our business activities with an ESG focus, primarily by contributing to a healthy and long-living society through the promotion of SUMITOMO LIFE Vitality.

In addition, by reaching across society with our unique value centering around SUMITOMO LIFE Vitality, we aim to establish a brand image of “health, security and familiarity.”



Contributing to a Healthy and Long-Living Society

• Promotion of businesses related to SUMITOMO LIFE Vitality

We will engage in initiatives to reach across society with our SUMITOMO LIFE Vitality, as well as initiatives to contribute to the evolution of products, programs and rewards.

• Services and information for the era of the 100-year lifespan

We will further evolve the products, services and information that we provide to customers, and strive to solve the challenges of super-aging society.



- Work style reform
- Recruit & nurture diverse human resources
- Coexistence with business partners through alliances etc.



- Promote ESG investment to realize sustainable societies
- New value creation through open innovation
- Strengthen business development infrastructure (IT etc.)



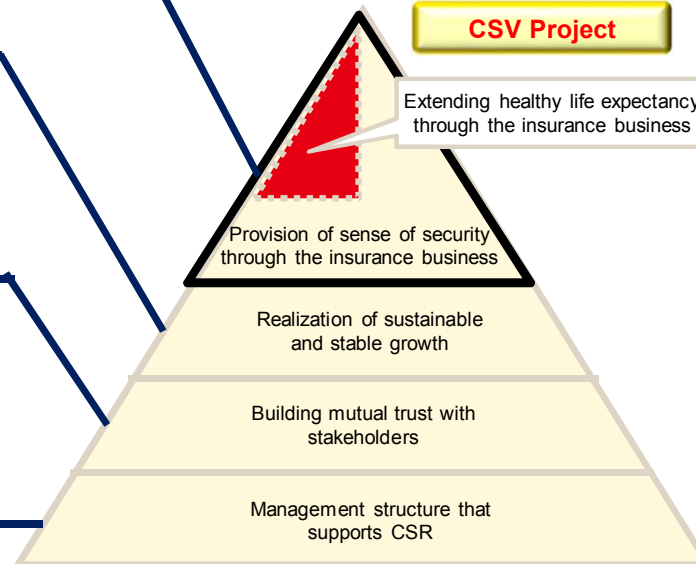
- Promote financial literacy education
- Global environmental protection
- Promote activities to contribute to society, and collaborate with regional governments



- Promote activities to contribute to society, and collaborate with regional governments



- Strengthen corporate governance
- Compliance initiatives
- Human rights initiatives
- Initiatives for the protection of personal data
- Increased sophistication of ERM
- Restructure and enhance risk management systems



Key Items of CSR

Key Items of CSR

Sumitomo Life has formulated the Key Items of CSR as shown on the left, based on its CSR Management Policy, which was established as one of its operating policy.

CSV Project

Sumitomo Life is endeavoring to solve the social challenge of “extending healthy life expectancy” through its efforts to promote health enhancement across society and health management based on CSR management and centering around SUMITOMO LIFE Vitality. We regard these initiatives as our “CSV* Project.”

* CSV is an abbreviation of Creating Shared Value. A business management concept that aims to achieve both “solution of social issues” and “enhancement of corporate value” through initiatives within the main business targeting social issues.

b. Basic Policies of the New Medium-Term Business Plan – (2) Be trusted by society

In order to further ensure that each and every executive and employee thinks and acts from the customer’s perspective, in addition to focusing on inculcating the “Sumitomo Life Group Code of Conduct”, we will also promote our “WPI Project,” which aims to promote transition to, and concentration on customer-oriented work styles, and create healthy, vibrant workplaces.

By reforming the work styles and behavior of executives and employees through these measures, we will strive to gain yet greater social trust.

Inculcating the “Sumitomo Life Group Code of Conduct”

<Sumitomo Life Group Code of Conduct – Basic Stance>



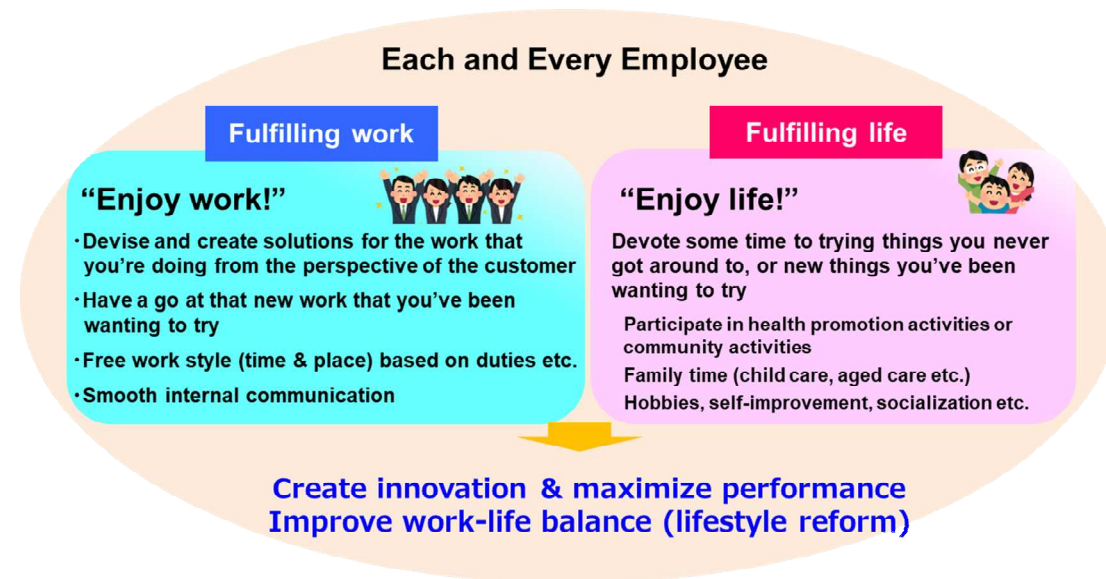
Inculcate these values across the Sumitomo Life Group and among all executives and employees

“Customer” is the subject word

The Sumitomo Life Group Code of Conduct is ...
A set of guidelines for executives and employees to follow in order to ensure that the Sumitomo Life Operating Policy is put into practice through their conduct. It serves as the basis for ethical and responsible business activities.

Promoting the “WPI Project”

<Our Vision for the Future>

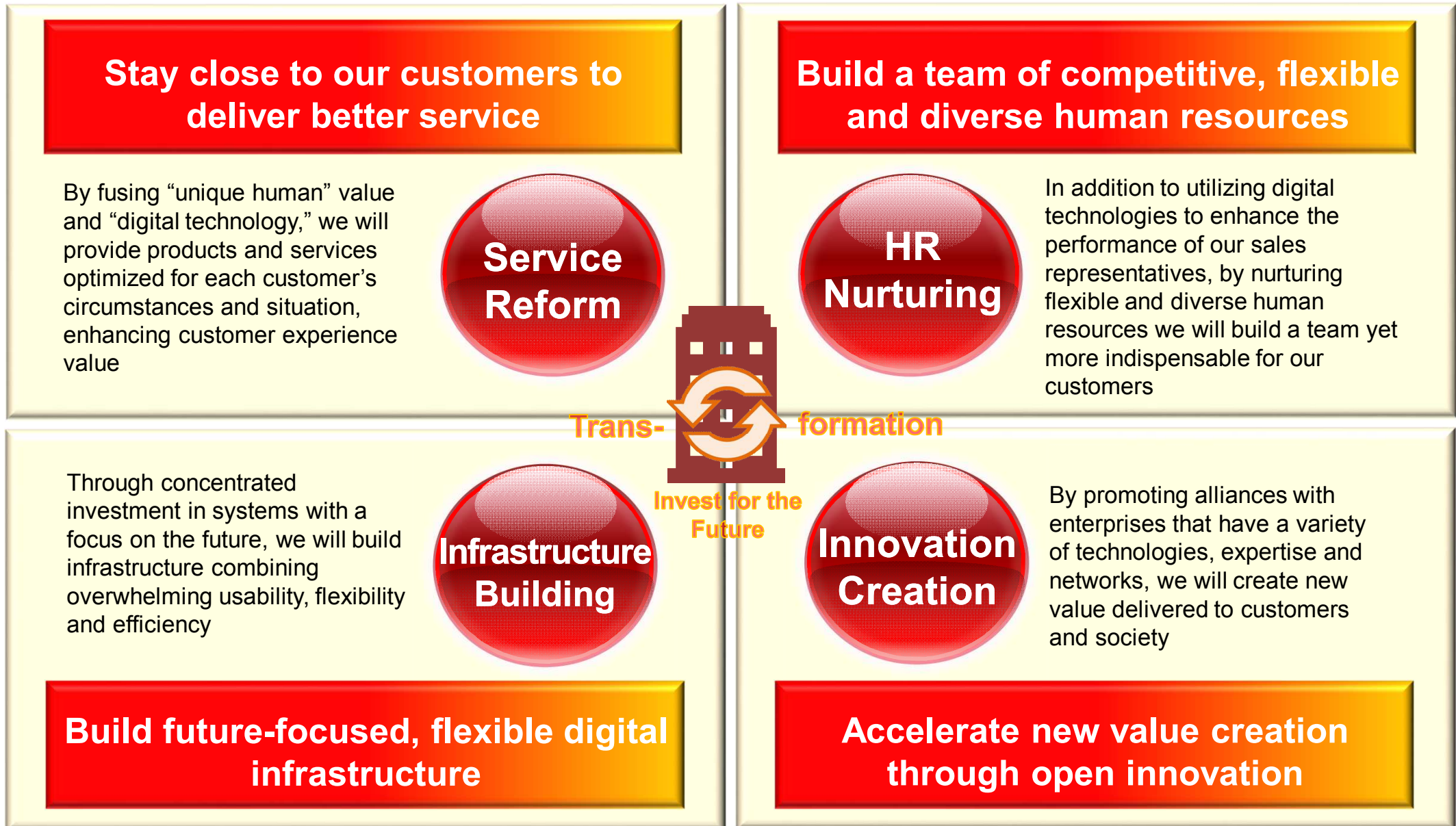


Become a company that is chosen from customers

WPI (Work Performance Innovation) Project is ...
A project aiming to “enhance productivity from the customer perspective” by promoting transition to, and concentration on customer-oriented work styles, and creating healthy and vibrant workplaces.

b. Basic Policies of the New Medium-Term Business Plan – (3) Adapt to social change

Amid the ever increasing pace of change, the effects of which may be felt throughout society, we will promote initiatives (service reform, HR nurturing, infrastructure building and innovation creation) to reform our business structure from a long-term perspective, to ensure we can adapt to any change in our environment.



c. Direction of Initiatives in Each Business Area ~ Life Designers ~

**Life designers
(sales representatives)**

**Consulting for the era of the
100-year life span, centering
around SUMITOMO LIFE Vitality**

<Initiatives under the New Medium-Term Management Plan>

- **Strive to distribute SUMITOMO LIFE Vitality,** which is a product that meets customer needs in the era of the 100-year life span, to contribute to the “health” of our customers.
- **Build structures for sales representatives (review systems, digital infrastructure etc.)** to provide sure and reliable service to our customers into the future.
- Strive to **strengthen our ability to meet the needs of corporate clients,** to enhance customer response.

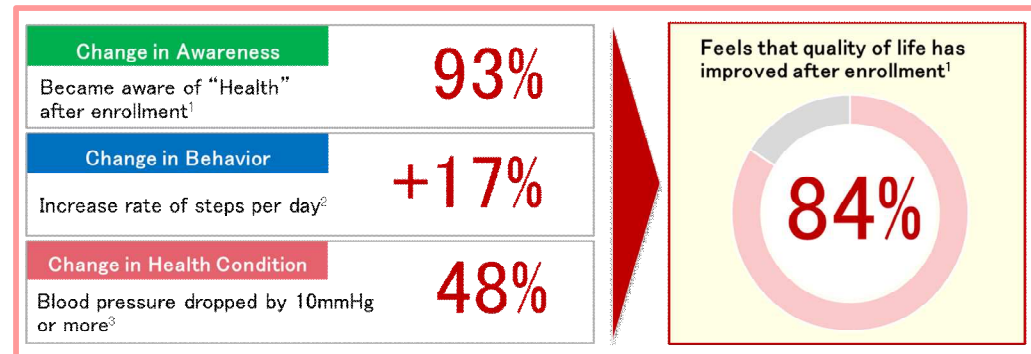


Promote the formation of a team of competitive, flexible and diverse human resources (Enhance the performance of our life designers)



Launched July 2018

Contributing to members' health while also enriching their lives



Its unique concept to reduce risks with integrated products has been highly evaluated in the market.

Awarded the 7th Smart Life Project Award (Let's extend healthy life expectancy!) – Minister-of-Health Award for Excellence

· Award given to Sumitomo Life's CSV project centered around health enhancement: *Looking to extend healthy life expectancy through Vitality*



- 1 Results of a questionnaire conducted by Sumitomo Life. The number of responses: 15,702 (excluding Sumitomo Life employees).
- 2 Condition at the end of May 2019 for members who enrolled from September to November 2018. Comparison of steps in the first and second month after joining (8,260 steps and 9,655 steps, respectively).
- 3 Among members who enrolled from September to November 2018, with systolic blood pressure of 140mmHg or greater at enrollment. Comparison of the results of the medical examination presented on enrolling, and the results of the Vitality medical examination taken after enrolling.

c. Direction of Initiatives in Each Business Area

~ Agencies such as financial institutions & insurance outlets ~

Agencies such as financial institutions & insurance outlets

Expand product lines, capturing customer needs with a full lineup

<Initiatives under the New Medium-Term Management Plan>

- Build a framework to take advantage of synergies utilizing the strengths of group companies, to offer a broad response to customer needs.
- Develop insurance products utilizing the strengths of our direct insurers, to realize a full lineup of products to meet increasingly diverse and fragmented customer needs.
- Promote sales of SUMITOMO LIFE Vitality through agency channels, to contribute to the “health” of our customers.

Direct Insurers in the Sumitomo Life Group




 メディケア生命
 (Medicare Life)
 Flexibly provide simple and affordable products through agencies such as insurance outlets, online insurance sites and financial institutions.


 アイアル少額短期保険株式会社
 (AIARU Small Amount & Short Term Insurance)
 AIARU has developed many unique products, based on the concept of developing original insurance products that meet market needs.
 (Subsidiary since Aug. 2019)

Sumitomo Life Group's Insurance Outlets

- **Izumi Life Designers Co., Ltd. (Established in Oct. 2009)**
 - ✓ Operates insurance outlets called “Hoken Hyakka”
 - ✓ Offers meticulous consulting
- **INSURANCE DESIGN (Subsidiary since Jul. 2017)**
 - ✓ Operates insurance outlets called “Hoken Design”
 - ✓ Develops outlets closely focused on the Kansai area
- **Mycommunication Co., Ltd. (Invested in Jan. 2018)**
 - ✓ Operates insurance outlets under the brand “Hoken Hotline”
 - ✓ Unique knowledge of sales representative training customer management system
- **Agent Co., Ltd. (Invested in Jan. 2018)**
 - ✓ Operates insurance outlets called “Hoken Erabi”
 - ✓ Knowledge of P&C insurance sales



c. Direction of Initiatives in Each Business Area ~ Asset Management ~

Asset management

Realize asset management for customer security and satisfaction

<Initiatives under the New Medium-Term Management Plan>

- **Enhance asset management profitability and strengthen risk control** to realize asset management for customer security and satisfaction.
- **Promote ESG investment** to realize a sustainable society and enhance medium to long-term investment profitability.
- Strengthen our asset management platform through **nurturing specialists** to support asset management and **cooperation with Symetra**.

Enhance asset management profitability

Enhance profitability by effectively utilizing capital and expanding investments in foreign currency-denominated credit assets and equity, unhedged foreign bonds etc.

Strengthen risk control

Strengthen risk control by promoting further portfolio diversification, while working to mitigate risks, primarily interest rate risks

Two Types of Portfolios (General Account)

We manage the general account with portfolios classified into two categories.

ALM Investment Portfolio

- Portfolio focused on yen-denominated assets (approx. JPY 24tn)
- Objective is to contribute to secure payment of claims etc.

Balanced Investment Portfolio

- Portfolio focused on highly liquid securities (approx. JPY 6tn)
- Objective is to contribute to sustainable growth of corporate value

ESG Investment Policy (Summary)

【Our Philosophy】

We promote ESG investment under the belief that investment incorporating an ESG perspective will enhance the investment returns for a medium to long-term institutional investor, and also contribute to the realization of a sustainable society.

【Key Initiatives】

ESG Investment Methodology	Description
Integration	• Incorporate an ESG perspective in the investment process
Engagement	• Engage in dialogue with invested portfolio companies, taking into account their ESG issues
Thematic Investing	• Investments in bonds etc. aimed at resolving ESG issues (JPY 300bn in 3 years)
Negative Screening	• Exclude certain industries or uses of proceeds from the scope of investments

c. Direction of Initiatives in Each Business Area ~ Overseas Operations ~

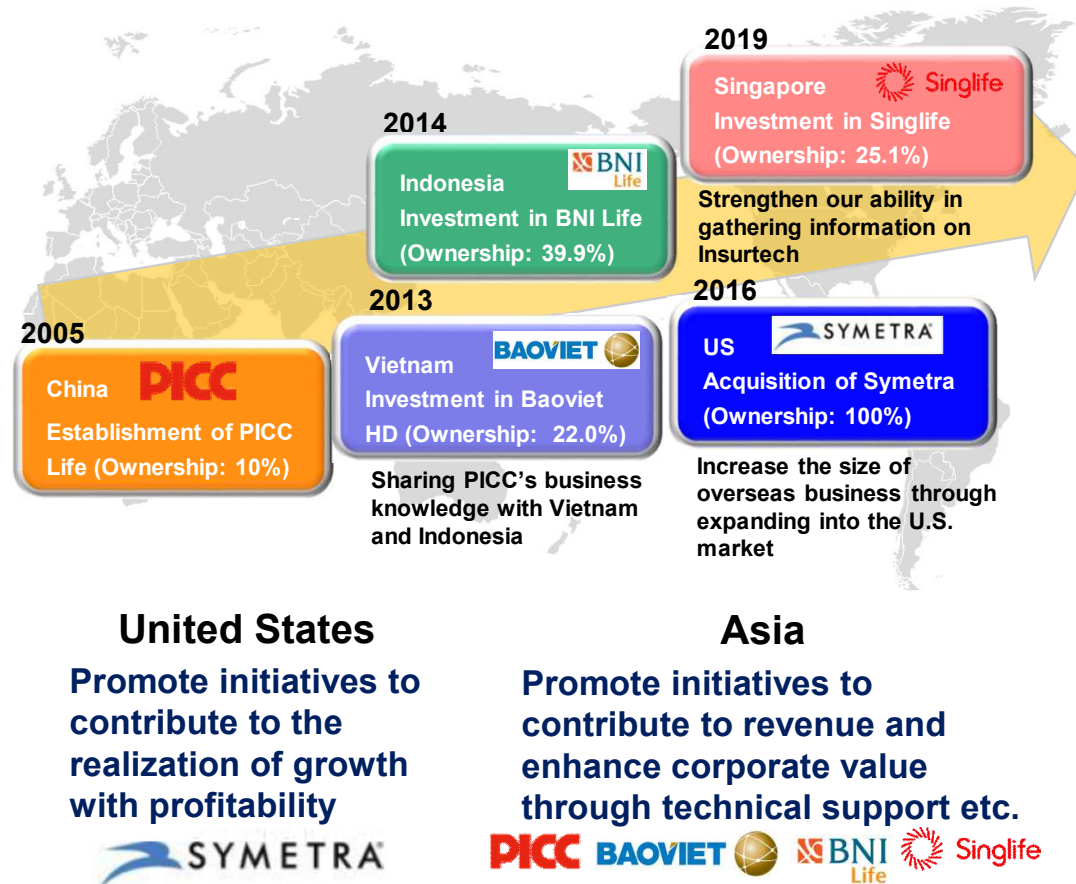
Overseas operations

Strengthen business sustainability to ensure continued service for our customers into the future

<Initiatives under the New Medium-Term Management Plan>

- Supplement earnings from domestic operations and strengthen future business sustainability by capturing the profitability and growth of overseas life insurance markets, to ensure continued service for our customers into the future.
- Consider new M&A, and promote initiatives to realize synergies with overseas life insurance companies that we invest in.
- Nurture human resources to support our overseas operations and realize increased sophistication of group governance.

Track Record and Strategy for Overseas M&A



c. Direction of Initiatives in Each Business Area ~ Products & Services ~

Products & services

Develop products and services to meet increasingly diverse customer needs

<Initiatives under the New Medium-Term Management Plan>

- Work to provide diverse products and services through cooperation with companies in the Sumitomo Life Group and our business alliance partner companies, to meet increasingly diverse customer needs.
- Enhance our response based on each customer's condition and circumstances, including consideration for the elderly and people with disabilities, to make our products and services even more comfortable to use for all our customers.







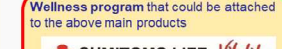











 **Implement initiatives to expand and develop SUMITOMO LIFE Vitality**



Strive to stay close to our customers to deliver better service

Multi-Product Strategy

We develop and provide products to match customer needs, utilizing subsidiaries and business alliances.

Customer Needs	Life Insurance				P&C Insurance		
	Individual Life			Corporate Insurance	In case of a sudden accident		
	Mortality	Nursing Care / Work Disability	Medical Insurance			Savings	
Products	Comprehensive Protection Insurance 生活保険で、じぶんを救え。  医療デザイン ランクアップ		Medical Insurance スミセイの医療保険 	Single-Premium Insurance [Yen] (Whole Life) ふるはーと 	[Foreign Currency] (Whole Life) ふるはーと 	Term Life  新長期プラン	Automobile Insurance 安心のグローバルでありたい。  クルマの保険
	Wellness program that could be attached to the above main products  		Level-Premium Insurance [Yen] (Whole Life) パラ色人生 	[Foreign Currency] (Whole Life) 光の国 	Medical Protection 安心の医療 	Property Insurance 安心のグローバルでありたい。  すまいの保険	
	Income Assurance Insurance 安心の収入 	Medical Insurance (Simple and affordable) ステアメント 	Medical Insurance (Simple and affordable) パリユーケア 	(Endowment) 光の国 	Work Disability Protection 安心の医療 	Casualty Insurance 安心のグローバルでありたい。  ケガの保険	

Evolution of the SUMITOMO LIFE Vitality Program and "Dementia PLUS"

Responding to "dementia" with coverage, service and the Vitality program, providing our unique comprehensive value (launched Mar. 2020)



c. Direction of Initiatives in Each Business Area ~ Management Base ~

Management base

Building a management base to ensure continued service into the future

<Initiatives under the New Medium-Term Management Plan>

- Strive to further promote “customer-oriented business operations” through **dissemination, inculcation and practice of the Sumitomo Life Group Code of Conduct**, to advance all businesses together with our customers.
- **Promote our “WPI Project,”** which aims to promote transition to, and concentration on customer-oriented work styles, and create healthy, vibrant workplaces.
- Work to **increase the sophistication of ERM and risk management** to secure business sustainability, while promoting stable dividend returns to customers (policyholders).
- **Reform our business structure from a long-term perspective (invest in the future)** to ensure continued service for our customers into the future.

Sumitomo Life Group Code of Conduct

A set of guidelines for executives and employees to follow in order to ensure that the Sumitomo Life Operating Policy is put into practice through their conduct. It serves as the basis for ethical and responsible business activities.



WPI (Work Performance Innovation) Project



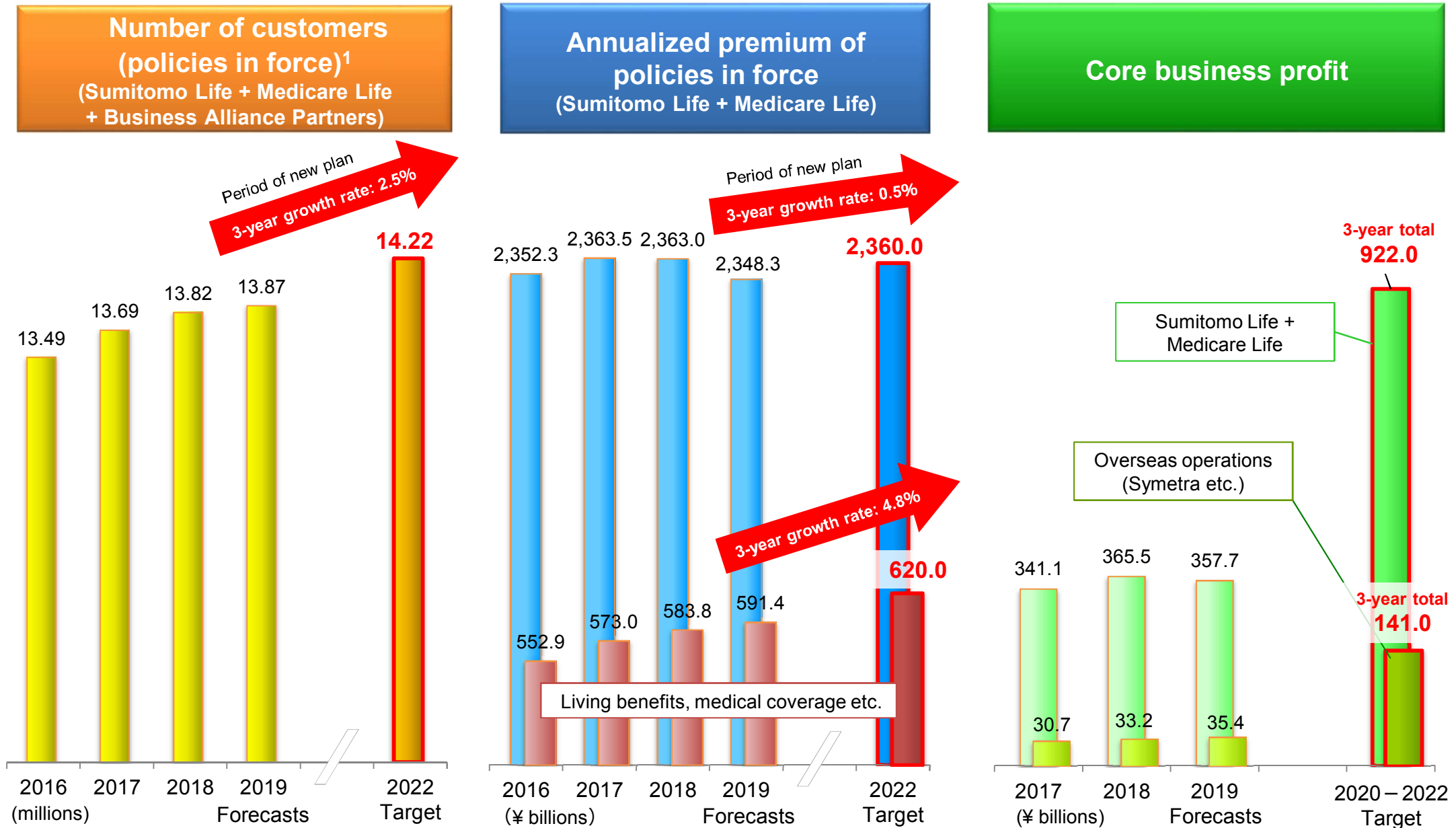
Business structure reform from a long-term perspective (investment in the future)

Invest in the future over four categories, to ensure Sumitomo Life can adapt to any change in our environment.



d. Target Values

The targets for the new Medium-Term Business Plan are as follows.



(Note 1) Number of individual life insurance and individual annuities, including products provided by our business alliance partners (Mitsui Sumitomo Insurance, NN Life, Sony Life).